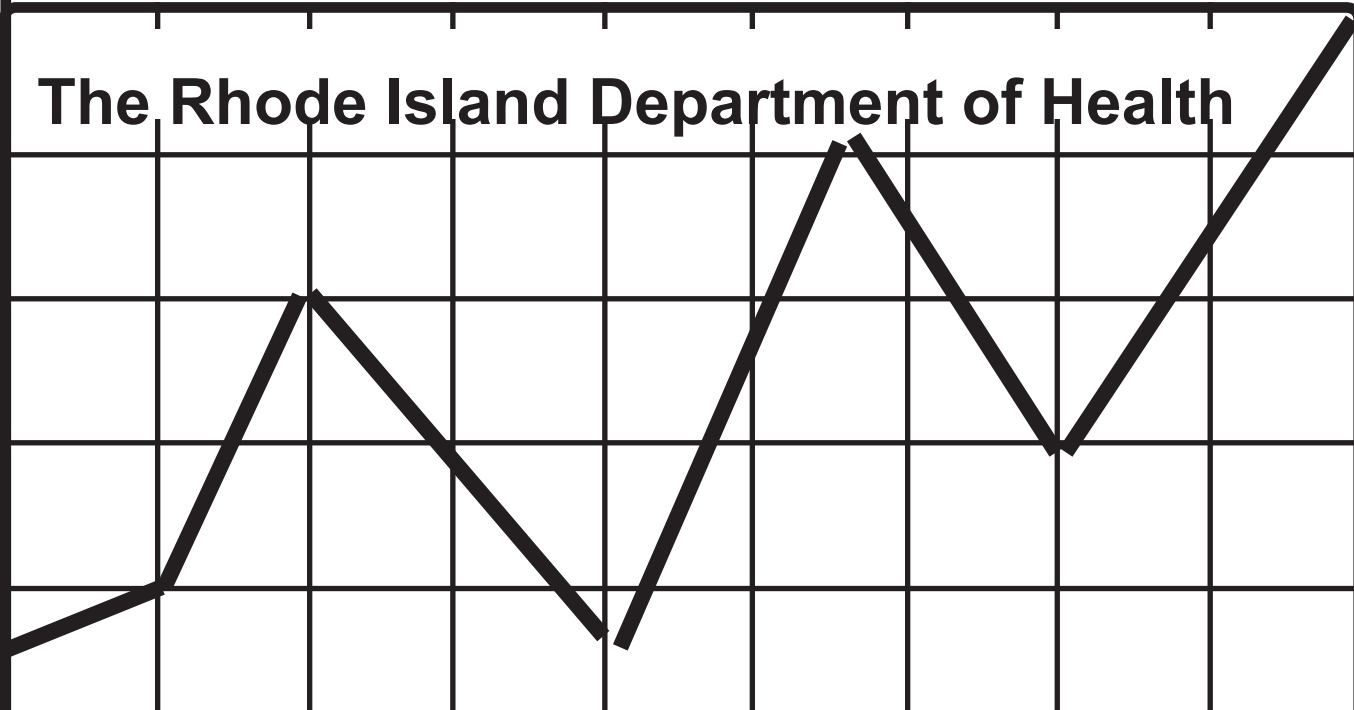


# **The State of the rt in Health Plan Performance Reporting**

**The Rhode Island Department of Health**



**Patricia A. Nolan, MD, MPH**  
**Director of Health**

**Lincoln Almond**  
**Governor**

***THE STATE OF THE ART IN HEALTH  
PLAN PERFORMANCE REPORTING***

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March 2002

*(Cover design by MaryJo Takach)*

## ***Executive Summary –The State of the Art in Health Plan Performance Reporting***

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Since 1998, the Rhode Island Department of Health (HEALTH) has been collecting and publishing Health Plan performance data, pursuant to the Health Care Accessibility and Quality Assurance Act of 1996. This information has been used to inform health policy, to focus improvement efforts, and to aid consumer choice.

HEALTH currently reports on 8 areas of Health Plan performance: 1) enrollment, 2) finances, 3) effectiveness of care, 4) Health Plan stability, 5) access to care, 6) utilization, 7) member satisfaction, and 8) utilization review. To minimize the costs to the Plans for this reporting, HEALTH has adopted information from filings that are already submitted to other agencies (i.e., statutory filings to the Department of Business Regulation, HEDIS and CAHPS filings to the National Committee for Quality Assurance, and UR filings to HEALTH's Office of Managed Care Regulation).

To assist HEALTH in its efforts, a national survey was conducted to ascertain the current status of Health Plan performance reporting across the country. 47 states were contacted and, of those, 26 are involved in public reporting (3 states could not be contacted). The majority of the 21 states not currently reporting intend to do so when resources become available.

Survey results show Rhode Island is among the leaders in this field. Along with Delaware, it reports on all types of Health Plans (HMOs and non-HMOs) and all product lines (Commercial, Medicare and Medicaid). Along with Connecticut, Florida, Maryland, and North Carolina, it provides more comprehensive information on Plan performance. And, along with Maryland, it does more with its data in terms of 'trending' and 'benchmarking' the results.

Rhode Islanders benefit from having a single complete source of public Health Plan information, and HEALTH is committed to improving the product each year. Both this Report and the *RI Health Plans' Performance Report* are available on HEALTH's Web-site ([www.healthri.org](http://www.healthri.org)).

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## I. Introduction

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Since 1998,<sup>1</sup> the Rhode Island Department of Health (HEALTH) has been publically reporting Health Plan performance data. This information has been used to inform health policy, to focus improvement efforts, and to aid consumer choice. Increasingly, the demands for Health Plan information have been driven by the need to document value in the face of recent double-digit rate increases<sup>2</sup> and the need to understand this industry better.

HEALTH realizes that effective policy and decision-making cannot be made in a vacuum, and is committed to providing the most comprehensive data possible. To that end, it conducted an 'environmental scan' of public Health Plan performance reporting around the country.

Initial results of the 47 states contacted, show 26 states<sup>3</sup> publish reports, and RI is among the leaders in this field. Along with Delaware, it reports on all types of Health Plans (HMOs and non-HMOs) and all product lines (Commercial, Medicare and Medicaid). Along with Connecticut, Florida, Maryland, and North Carolina, it provides more comprehensive information on Plan performance. And, along with Maryland, it does more with its data in terms of 'trending' and 'benchmarking' the results. Most states that do not currently monitor performance,<sup>4</sup> intend to do so when resources are available.

The methodology utilized a national survey<sup>5</sup> of state agencies (e.g., Health Departments, Departments of Insurance, etc.) and private entities (e.g., purchasing groups, coalitions, etc.) involved in public reporting. While many states may collect Health Plan data, the criteria used for inclusion here was that it be made widely available (and accessible) to the general public. For those states that did not respond to the survey, a web-based search was conducted and national associations<sup>6</sup> were contacted. Whenever possible, survey responses were verified by checking the published Reports. The Author used all due diligence in researching this information and regrets any omissions or errors.

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<sup>1</sup> As stipulated in the Health Care Accessibility and Quality Assurance Act (RIGL 23-17.13)

<sup>2</sup> From 1999-2000, New England commercial HMO premiums increased 10% and US premiums increased 11% ("Best's Aggregates & Averages, HMO-US 2001 Ed.", A. M. Best Company)

<sup>3</sup> Appendix B

<sup>4</sup> Alabama, Alaska, Arkansas, Hawaii, Idaho, Illinois, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, Ohio, South Carolina, South Dakota, Tennessee, West Virginia, and Wyoming (Georgia, North Dakota, and Virginia could not be contacted)

<sup>5</sup> Appendix A

<sup>6</sup> American Health Planning Association, Association of State and Territorial Health Officers, National Association of Insurance Commissioners, American Association of Health Plans

## ***II. Which Health Plans are Evaluated?***

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Health Plans generally fall into three categories based on how they are organized to deliver/pay for care. HMOs (Health Maintenance Organizations) deliver services through provider networks and may use a member's primary care provider as a 'gatekeeper' to more specialized services. PPOs (Preferred Provider Organizations) generally allow access to any provider, with some cost savings to a member for using providers in the network. Indemnity plans are traditional insurance products with defined cash payments, and no network limitations. Currently, HMOs and PPOs are the most prevalent types of Health Plans in the country.

Of the 26 states that participate in performance reporting, all reported on HMOs (Table 1). Given that HMOs employ a variety of managed care techniques to control costs,<sup>7</sup> and the negative media coverage these activities sometimes generate, it is understandable that they would be a primary focus of states' reporting efforts.

Eleven of the 26 states, including RI, also include PPOs in their reporting. PPOs are the fastest growing type of Health Plan<sup>8</sup> and they also employ managed care techniques to varying degrees. Therefore, there is increased interest in also evaluating their performance. Indemnity Plans are less dominant (in terms of enrollment) than the other Health Plans and are reported on by 4 states.<sup>9</sup>

In addition to Health Plan organization, the survey also examined which product lines (i.e., Commercial, Medicare and Medicaid) were included. Twenty four of the 26 states reported on Commercial products. Those that did not (California and Wisconsin), reported only on Medicaid Plans. Seven states reported on Medicare Plans, and 9 states included Medicaid Plans. Both the Medicare and Medicaid Plans are managed care products offered as an alternative to the traditional fee-for-service coverage. Delaware, Florida, Oklahoma, and RI were the only states that included all three product lines.

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<sup>7</sup> 'Gatekeepers', prior authorizations, second opinions, formularies, etc.

<sup>8</sup> PPO enrollment grew from 28% of all employees in 1996 to 48% in 2001 versus HMO enrollment of 31% in 1996 and 23% in 2001, Employer Health Benefits, 2001 Summary of Findings, Kaiser Family Foundation, Health Research and Education Trust

<sup>9</sup> RIGL 23-17.13 broadly defines a Health Plan (including HMOs, PPOs and indemnity) and the performance reporting includes all Plans with 10,000 or more RI members

**TABLE 1: TYPES OF HEALTH PLANS REPORTED**

	PLANS			PRODUCT LINES <sup>1</sup>		
	HMO	PPO	INDEMNITY/ OTHER	COMMERCIAL	MEDICARE	MEDICAID
Arizona	X					X
California	X	X		X	X	
Colorado	X			X		X
Connecticut	X			X		
Delaware	X	X	X	X	X	X
Florida	X			X	X	X
Indiana	X			X		
Iowa	X	X	X	X	X	
Kansas	X	X		X		
Maine	X			X		
Maryland	X			X		
Massachusetts	X	X		X		
Missouri	X	X	X	X	X	
New Jersey	X	X		X		
New Mexico	X			X		
New York	X			X		X
North Carolina	X	X		X		
Oklahoma	X			X	X	X
Oregon	X	X		X		
Pennsylvania	X			X		
Rhode Island	X	X	X	X	X	X
Texas	X			X		
Utah	X			X		
Vermont	X			X		
Washington	X	X		X		X
Wisconsin	X					X

<sup>1</sup> Product line information was not included in the original survey instrument but researched when compiling the results



### ***III. What Types of Information are Examined?***

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States were also assessed on the types of performance information they publish. Table 2 provides an overview of the scope of these efforts.

Most commonly included were data on member satisfaction. CAHPS<sup>10</sup> (the Consumer Assessment of Health Plans) was the survey utilized by 23 (of 26) states. Member satisfaction information includes ratings of all the healthcare services received by Plan enrollees, ratings of the Health Plan itself, and measures specific to physicians, specialists, and other aspects of care.

Nineteen of the 26 states included a variety of 'quality' measures from HEDIS<sup>11</sup> (the Health Plan Employer Data and Information Set). These measures encompassed a spectrum of categories from effectiveness of and access to care, to utilization and enrollment data.

Eight states reported financial data, however, most only included information on premiums and medical expense ratios.<sup>12</sup> RI is among the leaders in financial reporting. It tracks profitability, premiums and categorical expenses<sup>13</sup> on a unit (i.e., Per Member Per Month) basis.

Utilization review information is published by 6 states, including RI. Mostly, this consists of reporting denials of consumer appeals for services. RI reports on appeals, as well as prior authorization denials and denials for payment.

Thirteen states report consumer complaint information. RI currently tracks and responds<sup>14</sup> to complaints, and makes them available for inspection on request, but does not publically report them.

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<sup>10</sup> CAHPS is sponsored by the Agency for Healthcare Research and Quality (AHRQ) which worked in conjunction with the National Committee for Quality Assurance (NCQA) to develop the assessment tools

<sup>11</sup> HEDIS was developed and is administered by the NCQA

<sup>12</sup> the percentage of premium revenue that is spent on healthcare services to members

<sup>13</sup> i.e., hospital inpatient, physician, other professional, pharmaceutical, substance abuse, mental health, health education, and administrative expenses

<sup>14</sup> Through HEALTH's Office of Managed Care Regulation

**TABLE 2: TYPES OF INFORMATION REPORTED**

	HEDIS					OTHER			
	<i>Effectiveness of Care</i>	<i>Health Plan Stability</i>	<i>Access to Care</i>	<i>Utilization</i>	<i>Enrollment</i>	<i>Member Satisfaction</i>	<i>Financial</i>	<i>Utilization Review</i>	<i>Complaints</i>
Arizona						X			X
California	X	X	X	X		X			X
Colorado	X	X	X	X		X			
Connecticut	X	X	X	X	X	X		X	X
Delaware						X			
Florida	X	X	X	X	X	X	X		X
Indiana	X	X	X	X	X		X		X
Iowa	X	X	X	X	X	X			
Kansas						X	X		
Maine	X	X	X	X	X			X	X
Maryland	X	X	X	X	X	X	X		X
Massachusetts	X	X	X	X		X			
Missouri	X	X	X	X		X			X
New Jersey	X	X	X	X		X		X	X
New Mexico	X	X	X	X		X			
New York	X	X	X	X	X	X			X
North Carolina	X	X	X	X	X	X	X	X	X
Oklahoma				X	X		X	X	X
Oregon						X			
Pennsylvania	X	X	X	X	X	X	X		
Rhode Island	X	X	X	X	X	X	X	X	
Texas	X	X	X	X	X	X			X
Utah	X	X	X	X		X			
Vermont	X	X	X	X		X			
Washington						X			
Wisconsin						X			

#### ***IV. How is the Information Used?***

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Once the data are collected, they may be presented in essentially one of two ways. Most states (21) provided a ‘snapshot’ of a single year’s experience (Table 3). Less common (5 states), was a ‘trending’ of multiple years’ experience. The value in tracking measures over time is that changes in performance may be evaluated. Maryland, Oklahoma, and RI provide 3 years worth of information, while New York, and Wisconsin provide data for 2 years.

Another method used for comparing information is ‘benchmarking’. This technique allows states to compare their performance to national and/or regional cohorts. Seventeen states ‘benchmark’ their data nationally, and 8 of those also use regional benchmarks. RI is among those states using both comparisons.

**TABLE 3: USES OF THE INFORMATION**

	<i>"Snapshot" Single Year (Yr.)</i>	<i>"Trend" Multiple Years (Yrs.)</i>	<i>"Benchmarking" National</i>	<i>"Benchmarking" Regional</i>
Arizona	2000		X	
California	2000			
Colorado	1999		X	
Connecticut	1999			
Delaware	1999			
Florida	1999		X	X
Indiana	2000		X	
Iowa	2000		X	X
Kansas	2000			
Maine	1999			
Maryland		1997-1999	X	X
Massachusetts	2000		X	
Missouri	1999		X	X
New Jersey	2001			
New Mexico	1999		X	
New York		1999-2000	X	
North Carolina	2000		X	X
Oklahoma		1998-2000		
Oregon	1999			
Pennsylvania	1999		X	X
Rhode Island		1998-2000	X	X
Texas	2000		X	X
Utah	2000		X	
Vermont	1999		X	
Washington	2001			
Wisconsin		1998-1999	X	

**APPENDIX A: QUESTIONNAIRE – HEALTH PLAN PUBLIC REPORTING**

State Reporting: \_\_\_\_\_

Do you do Performance Reporting (or 'Report Cards') for Health Plans? \_\_\_ yes \_\_\_ no

Agency responsible for Reporting (state agency / other): \_\_\_\_\_

Contact person (w/ title & phone #): \_\_\_\_\_

Do you have Statutory authority to do this reporting (if so, please reference the Statute)? \_\_\_\_\_

Titles of most current Health Plan performance reports (or 'Report Cards') and years of publication?  
\_\_\_\_\_

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Are these Reports available on the Web (if so, please provide the Website address)?  
\_\_\_\_\_

Please also send 1 copy of each current Report to Juliet Kingsley, Office of Performance Measurement, #407, Rhode Island Dept. of Health, 3 Capitol Hill, Providence, RI 02908

What types of health plans do you report on? \_\_\_ HMO \_\_\_ PPO \_\_\_ Indemnity

What types of data do you report:

Effectiveness of Care info? \_\_\_\_\_ HEDIS \_\_\_\_\_ other  
 Health Plan stability Info ? \_\_\_\_\_ HEDIS \_\_\_\_\_ other  
 Access of Care/Availability of Care? \_\_\_\_\_ HEDIS \_\_\_\_\_ other  
 Use of Services/Utilization? \_\_\_\_\_ HEDIS \_\_\_\_\_ other  
 Member Satisfaction? \_\_\_\_\_ CAHPS \_\_\_\_\_ other  
 Enrollment Info? \_\_\_\_\_  
 Financial Info/Premiums? \_\_\_\_\_  
 Financial Info/Expenses? \_\_\_\_\_  
 Financial Info/Profitability? \_\_\_\_\_  
 Utilization Review Info regarding: \_\_\_\_\_ appeals \_\_\_\_\_ prior authorization  
 Complaints? \_\_\_ If yes, what is your definition of a complaint? \_\_\_\_\_  
 Other data, please specify? \_\_\_\_\_

What is the most recent year(s) data you have reported on? \_\_\_\_\_

Do you trend these data or do you just report for a single year? \_\_\_ trend (# yrs) \_\_\_ single yr

Do you benchmark these data (i.e. compare your state's data with national and/or regional data)? \_\_\_\_\_

What are your sources for benchmark data (NCQA Quality Compass, other, please specify)? \_\_\_\_\_

## **APPENDIX B: STATE CONTACTS**

### **ARIZONA**

Agency: **Dept. Of Insurance/Office of Managed Care**

Contact Information: **(602) 417-4362, (800) 325-2548**

Publications: ***Member Satisfaction Survey 2000***  
***2000 Managed Care Complaint Ratio***

Websites: [www.ahcccs.state.az.us.org](http://www.ahcccs.state.az.us.org)  
[www.state.az.us/id](http://www.state.az.us/id)

### **CALIFORNIA**

Agency: **Office of Patient Advocate; California Healthcare Foundation**

Contact Information: **Dr. Martin Gallegos (916) 324-6407**

Publications: ***Record of Consumer Complaint 2000***  
***HMO Report Card 2000***  
***Guide to California Medicare HMOs***

Websites: [www.bmhc.ca.gov](http://www.bmhc.ca.gov)  
[www.HMOhelp.ca.gov](http://www.HMOhelp.ca.gov)  
[www.CHCF.org](http://www.CHCF.org)

### **COLORADO**

Agency: **Health Services Advisory Group**

Contact Information: **Beth Martin (303) 866-6322**

Publications: ***2000 Medicaid Client Satisfaction Survey***  
***2000 Health Plan Employer Data and Information Set***

Website: [www.chcpf.state.co.us/mcc](http://www.chcpf.state.co.us/mcc)

### **CONNECTICUT**

Agency: **Department of Insurance**

Contact Information: **Patricia Levesque (860) 297-3859**

Publication: ***Comparison of Managed Care Organizations in Connecticut***

Website: [www.state.ct.us/cid](http://www.state.ct.us/cid)

### **DELAWARE**

Agency: **Center for Applied Demography and Survey Research**

Contact Information: **Eric Jacobson (302) 831-1684**

Publication: ***Consumer Assessment of Health Plans in Delaware***

Website: [www.cadsr.udel.edu](http://www.cadsr.udel.edu)

### **FLORIDA**

Agency: **Agency for Health Care Administration**

Contact Information: **Carolyn Turner (850) 922-5861**

Publication: ***Choosing a Quality Health Plan: Florida HMO***

Website: [www.floridahealthstate.com](http://www.floridahealthstate.com)

## **APPENDIX B CONTINUED: STATE CONTACTS**

### **INDIANA**

Agency: **Department of Insurance**  
Contact Information: **Jay Long (317) 232-5695**  
Publications: ***Indiana HMO Consumer Report Card***  
Website: [www.in.gov/idoi](http://www.in.gov/idoi)

### **IOWA**

Agency: **Department of Public Health, Insurance Division**  
Contact Information: **(515) 281-5787, (877) 955-1212**  
Publication: ***Comparing Your Options: a look at HMOs and ODSs in Iowa***  
Website: [www.idph.state.ia.usrch](http://www.idph.state.ia.usrch)

### **KANSAS**

Agency: **Department of Administration; Division of Personnel Services**  
Contact Information: **Harry Bossy (785) 296-8585**  
Publication: ***Compare Your Health Plan Choices***  
Website: [www.da.state.ks.us/ps/benefits.htm](http://www.da.state.ks.us/ps/benefits.htm)

### **MAINE**

Agency: **Department of Insurance and Consumer Protection**  
Contact Information: **Glen Griswald (207) 624-8494**  
Publication: ***Consumer Guide to Health Insurers Doing Business In Maine***  
Website: [www.maineinsurancereg.org](http://www.maineinsurancereg.org)

### **MARYLAND**

Agency: **Health Care Access and Cost Commission**  
Contact Information: **Pam Cheetham (410) 764-3460**  
Publication: ***1999 Comprehensive Report: Commercial HMOs in Maryland  
Comparing the Quality of Maryland HMOs –Consumer Guide***  
Website: [www.mhcc.state.md.us](http://www.mhcc.state.md.us)

### **MASSACHUSETTS**

Agency: **MA Healthcare Purchaser Group; Div. of Healthcare Finance & Policy**  
Contact Information: **Ann Aaberg (617) 522-0255**  
Publication: ***2000 Guide to Health Plan Performance***  
Website: [www.state.ma.us/dhcfp](http://www.state.ma.us/dhcfp)

### **MISSOURI**

Agency: **Department of Health and Senior Services**  
Contact Information: **Bob Patterson (573) 522-9610**  
Publication: ***Show me...Consumer's Guide: Commercial Managed Care Plans***  
Website: [www.dhss.state.mo.us/publications/MCWelcome.html](http://www.dhss.state.mo.us/publications/MCWelcome.html)

## **APPENDIX B CONTINUED: STATE CONTACTS**

### **NEW JERSEY**

Agency: **Department of Health and Senior Services**  
Contact Information: **Marilyn Dahl (609) 984-3939**  
Publication: ***New Jersey HMO Performance Report: Compare Your Choices***  
Website: [www.state.nj.us/health/hcsa/hmomenu.htm](http://www.state.nj.us/health/hcsa/hmomenu.htm)

### **NEW MEXICO**

Agency: **Health Policy Commission**  
Contact Information: **Kim Price (505) 424-3200 x110**  
Publication: ***New Mexico Consumer Guide to Managed Care 2000***  
Website: [www.hpc.state.nm.us](http://www.hpc.state.nm.us)

### **NEW YORK**

Agency: **Department of Health: Managed Care Division**  
Contact Information: **Mary Beth Conroy (518) 486-6074**  
Publications: ***Annual Report on Managed Care Performance***  
***Medicaid Consumer Guide***  
Website: [www.health.state.ny.us](http://www.health.state.ny.us)

### **NORTH CAROLINA**

Agency: **Department of Insurance: Managed Care & Health Benefits Division**  
Contact Information: **Nancy O'Dowd (919) 715-0526**  
Publications: ***Managed Care Consumer Guide 2001***  
***Managed Care Status Report & Analysis of 2000 Activity***  
Website: [www.ncdoi.net](http://www.ncdoi.net)

### **OKLAHOMA**

Agency: **Department of Health**  
Contact Information: **Nora House (405) 271-9444 x57268**  
Publication: ***2000 Annual Review Health Maintenance Organizations***  
Website: [www.health.state.ok.us](http://www.health.state.ok.us)

### **OREGON**

Agency: **Oregon Coalition of Health Care Purchasers**  
Contact Information: **D'Ann Gilmore (503) 631-4416**  
Publication: ***Health Plan Quality from the Consumer's Point of View***

### **PENNSYLVANIA**

Agency: **Pennsylvania Health Care Cost Containment Council**  
Contact Information: **Kerry Moyer (717) 232-6787**  
Publication: ***Measuring the Quality of Pennsylvania's HMOs***  
Website: [www.phc4.org](http://www.phc4.org)



## **APPENDIX B CONTINUED: STATE CONTACTS**

### **RHODE ISLAND**

Agency: **Department of Health, Office of Performance Measurement**  
Contact Information: **Bruce Cryan (401) 222-5123**  
Publication: **2000 RI Health Plans' Performance Report**  
Website: [www.healthri.org](http://www.healthri.org)

### **TEXAS**

Agency: **Texas Health Care Information Council**  
Contact Information: **Priscilla Boston (512) 482-3316**  
Publications: **Your Commercial HMO Quality Check-up**  
**Straight Talk on Texas HMO 2000**  
Website: [www.THCIIC.state.tx.us](http://www.THCIIC.state.tx.us)

### **UTAH**

Agency: **Office of Health Care Statistics**  
Contact Information: **Chung-Won Lee (801) 538-7048**  
Publication: **Utah Commercial HMO Performance Report**  
Website: [www.hlunix.hl.state.ut.us/had/consumerpublications](http://www.hlunix.hl.state.ut.us/had/consumerpublications)

### **VERMONT**

Agency: **Division of Health Care Administration**  
Contact Information: **Pat Jones (802) 828-2917**  
Publication: **Vermont Managed Health Care Plans: A Guide for Consumers**  
Website: [www.bishca.state.vt.us](http://www.bishca.state.vt.us)

### **WASHINGTON**

Agency: **Health Care Authority; Department of Social and Health Services**  
Contact Information: **Dale Fry (360) 923-2741; Jim Jackson (360) 725-1614**  
Publications: **Compare a Plan**  
**Washington State HEDIS Report**  
Website: [www.wa.gov/hca](http://www.wa.gov/hca)

### **WISCONSIN**

Agency: **Bureau of Managed Health Care Programs**  
Contact Information: **Gary R. Ilminen (608) 261-7839**  
Publications: **HMO Comparison Report**  
**Executive Summary Report**  
Website: [www.wisconsin.gov/stateagenciesDHFS](http://www.wisconsin.gov/stateagenciesDHFS)